

within the Graepel Group:

- Friedrich Graepel Aktiengesellschaft | D
- Graepel Lönigen GmbH & Co. KG | D
- Graepel Seehausen GmbH & Co. KG | D
- Graepel North America Inc. | Omaha, Nebr. | USA
- Oberflächentechnik Lönigen GmbH & Co. KG | D



Compliance

The trust that customers, suppliers, business partners, shareholders, and the general public have in the **Graepel Group** substantially depends on the personal integrity and responsible attitude displayed by all employees (m/f). In order to achieve this trust Graepel expects all their employees (m/f) to know and to observe all legislative requirements and all rules imposed by the company.

Principles and Targets

Compliance within the **Graepel Group** implies compliance with laws, guidelines, and rules of conduct. The Code of Conduct is to provide direction and to contribute to the prevention of misconduct. The focus of the Graepel Compliance Program is to instill compliance in the mindset of the employees (m/f) and, to prevent legally questionable acts.

Code of Conduct

Graepel is an internationally expanding enterprise with more than 100 years of experience in metal working. As a systems supplier of innovative metal products and assemblies we attend our customers through the complete process chain and deliver perfect solutions for highest individual requirements. Each single person working for the **Graepel Group** is called upon, within his or her area of accountability, to abide by all applicable legislative requirements, other mandatory regulations, and this Code of Conduct.

The **Code of Conduct** is to serve as a guideline to help avoid misconduct. The standards of behavior described here are considered mandatory for the employees (m/f) of all Graepel companies.

Laws and Guidelines

The Graepel Group expects its employees (m/f) to know and abide by the legislative requirements and company rules which relate to their work. Executive managers in particular must conduct themselves in an exemplary fashion and must demonstrate a high level of social and ethical awareness. They are responsible for ensuring that this Code of Conduct is followed and implemented in their respective areas of accountability.

Conflicts of Interests

On all levels and in all areas business decisions are to be made to the best of one's ability and in the context of the vital interests of the company. Personal considerations and private interests must not influence business decisions. Potential clashes of interests are to be avoided by all means; if this is not possible, these cases must be disclosed.

Corrupt or any other illegal acts are not tolerated within the Graepel Group.

Suppliers must be selected solely on the basis of objective criteria. Fair and impartial examination of quotations is expected in the process of awarding orders. Private appointment of Graepel business partners who are directly involved in the area of work of an employee (m/f) is only permitted with the prior consent of the superior. In the conduct of business, business partners and authorities are not to be offered or granted any advantages or inducements which may serve as a basis for dishonest or unlawful actions.

Agreements with competitors made in breach of antitrust law are prohibited.

With regard to donations, the Graepel Group advocates a transparent use of donations.

Suppliers and Competitors

Suppliers are to be chosen solely on the basis of objective criteria. Collaboration with these must be based on trust and honesty. When awarding orders, fair and impartial examination of quotations is expected of Graepel employees (m/f). Preferential treatment and/or impediment of suppliers for private or non-factual reasons is prohibited. For Graepel employees (m/f), the rules of fair competition apply at all times.

Inducements

Quality of our products and services is our legal motivator to persuade our customers. As a matter of principle, Graepel does not work with any means of unlawful acceptance of personal benefit or corruption.

We point out that, according to the tax regulations in place, expenses for gifts to persons who do not work for Graepel are not allowed for tax purposes, if they exceed a total net amount of 35 EUR per fiscal year.

We also expect our suppliers and business partners to deliver consistently a high level of performance. In order to achieve this, we decline any supplementary allowances or courtesies exceeding a net value of 35 EUR.

A single irregularity can cause considerable harm to the whole company.

Business and Private Expenses

Business-related and private expenses must be kept separate at all times. In cases where a precise separation is difficult to define, these costs, especially for items such as gifts and private hospitality, must be covered on a personal basis.

Secondary Employment and Shares

Secondary employment at companies which are in competition with Graepel, or with clients or suppliers is prohibited in principle. Exempt from this are secondary jobs which have no bearing whatsoever on the activities of Graepel. Secondary employment must always be disclosed to the HR department.

Shareholdings in competing companies, suppliers, or clients must be disclosed to the HR department.

Employees (m/f)

At Graepel, we do not discriminate against employees (m/f) due to the color of their skin, gender, age, nationality, religion, social background, disability, or sexual orientation. The same approach applies to the hiring of employees (m/f), existing employment relationships and promotion opportunities at Graepel. The only decisive factors are performance, personality, skills, and aptitude.

Graepel observes all relevant applicable rules of labor legislation. Every Graepel employee (m/f) has the right, in accordance with the prevailing legislation in the respective country, to have his or her interests properly considered and to establish an employee representative body, and/or to join such a body. No employee (m/f) or employee representative shall be at a disadvantage as a consequence of exercising his or her rights. Graepel works openly and constructively with all legally existing employee representative bodies.

Health and Safety at Work and Environmental Protection

Graepel is committed to ensuring a safe workplace for all employees (m/f) and to providing a working environment that protects occupational health.

All employees (m/f) in the course of their work have a duty to minimize risks to the environment and to general health, and to promote the protection of resources. With regard to the products and processes, careful attention must be paid to the efficient use of energy and resources and maintaining the highest possible standards of environmental sustainability.

Confidential Information

In order to warrant a high protection of data and information, knowledge of confidential transactions, data, and intentions of Graepel and its business partners may only be used within a purely business-related context and are subject to confidentiality agreements.

Sanctions imposed in Case of Infringements

Intentional misconduct and violations of prevailing legislative requirements and/or company rules are not tolerated. Any violations of such rules will be investigated.

Monitoring

Executive managers are obliged, within their respective areas of accountability and in an appropriate manner, to ensure that

- Business transactions comply with the relevant applicable legislation and internal guidelines,
- Violations of the Code of Conduct and regulations based on it are detected, investigated, and remedied.

Direction

At the beginning of the financial year 2011 the Friedrich Graepel AG created the company-wide initiative COMPLIANCE. Mr. Klaus Mecking, CEO, has assumed the responsibility for this initiative. Furthermore, two contact persons will be named in each company so that issues can be addressed on all levels.

- contact in Lönigen: Reinhard Schohaus, Dennis Kersten
- contact in Seehausen: Michael Doberstein, Rüdiger Beutler
- contact in Omaha: Joe Cole, Dirk Schulte
- contact in Borkhorn: Jan Hiltermann, Alexander Boxhorn